

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-06 FRB-03 INR-07 NEA-10 NSAE-00 OPIC-03

SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 PA-01 PRS-01 USIA-06 FEA-01 AGR-05 /112 W

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R 282239Z MAY 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 7271

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ECIN, OECD

SUBJECT: OECD MINISTERIAL: MAY 28

1. SUMMARY: AT FIRST DAY OF TWO-DAY OECD MINISTERIAL SESSION SECRETARY OF STATE KISSINGER DELIVERED SPEECH (TEXT CONTAINED IN WIRELESS FILE) OUTLINING DUAL NATURE OF CHALLENGE CURRENTLY FACING INDUSTRIALIZED DEMOCRACIES: NEED FOR DEVELOPED COUNTRIES TO RESTORE ECONOMIC GROWTH AND NEED FOR ALL NATIONS TO IMPROVE ECONOMIC COOPERATION. SECRETARY'S SUGGESTED RESPONSE TO GROWTH CHALLENGE INCLUDED COORDINATED ACTION ON ECONOMIC EXPANSION, RENEWAL OF TRADE PLEDGE, PROGRESS IN MTN, FURTHER EFFORTS TO RESOLVE ENERGY PROBLEM, AND PROPOSAL FOR SPECIAL GROUP OF EMINENT ECONOMISTS TO IDENTIFY MEASURES OECD COUNTRIES COULD ADOPT TO ASSURE LONGER-TERM GROWTH. ON BETTER INTERNATIONAL COOPERATION, SECRETARY STRESSED FOLLOW-UP TO WORLD FOOD CONFERENCE AND SUGGESTED TIME WAS RIPE FOR DETAILED LOOK AT PROBLEMS OF COMMODITIES TRADE, OUTLINING PROPOSALS MADE IN KANSAS CITY SPEECH AND STATING US PREPARED TO JOIN OTHERS IN REVIEW OF MECHANISMS DESIGNED TO ENSURE STABILIZATION OF LDC EXPORT EARNINGS. SECRETARY ALSO URGED SPECIAL ATTENTION BE GIVEN TO EXPANDED MARKETS FOR LDC EXPORTS AND ADDITIONAL FINANCIAL ASSISTANCE FOR POOREST COUNTRIES. HIGHLIGHTS OF SPEECHES BY OTHER KEY MINISTERS, MOST OF WHICH TOOK GENERAL APPROACH ADVOCATING POSITIVE ATTITUDE FOR BRIDGING DC/LDC DIFFERENCES, REPORTED BELOW. MINISTERS ADOPTED DECLARATION ON RELATIONS WITH LDC'S AND PERMREP COUNCIL ADOPTED RESOLUTIONS ESTABLISHING HIGH LEVEL GROUPS TO STUDY COMMODITY PROBLEMS AND REVIEW POLICIES OF MEMBERS TOWARDS DEVELOPING COUNTRIES (TEXTS REPORTED SEPTELS). MINISTERS HAD FIRST DISCUSSION OF SECTIONS OF COMMUNIQUE DEVOTED TO LDC'S AND COMMODITIES AND GAVE GUIDANCE TO DRAFTING GROUP BUT TEXT REMAINS TO BE IRONED OUT IN THIS GROUP LATER TONIGHT. END SUMMARY

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2. FRANCE: PRESENTATION BY SAUVAGNARGUES STRESSED NEED TO RECOGNIZE LINK BETWEEN ENERGY, RAW MATERIALS AND DEVELOPMENT AS PRECONDITION TO DC/LDC DIALOGUE. ON COMMODITIES, FRENCH MINISTER SAID OBJECTIVE SHOULD BE TO ORGANIZE MARKETS FOR LDC PRODUCTS BY STABILIZATION AGREEMENTS WHICH WENT DEEPER THAN IN THE PAST, INCLUDING

CONSUMER PARTICIPATION IN FINANCING OF STOCKPILES. HE

ALSO URGED GREATER USE OF INTERNATIONAL INSTITUTIONS FOR FINANCING OF STOCKPILES, AND TO SUPPLY INVESTMENT RESOURCES AND GUARANTIES. ON TOPIC OF DEVELOPMENT, SAUVAGNARGUES SUGGESTED REORGANIZATION OF DEVELOPMENT AID TO INCLUDE TRANSFER OF TECHNOLOGY AND REDEPLOYMENT OF INDUSTRY. HE URGED OTHER MINISTERS NOT TO UNDERESTIMATE POSITIVE RESULTS OF APRIL PREPCOM AND TO AGREE ON PROGRAM OF WORK TO DEFINE FORM OF FURTHER DISCUSSIONS TO BE HELD ALONG SAME LINES.

3. JAPAN: FOREIGN MINISTER MIYAZAWA BEGAN BY BOOSTING IN LOW KEY WAY JAPANESE-ORIGINATED OECD PROPOSAL TO STUDY "FUTURE DEVELOPMENT OF ADVANCED INDUSTRIAL SOCIETIES IN HARMONY WITH LESS DEVELOPED COUNTRIES." HE THEN EMPHASIZED NEED TO EXAMINE MEASURES PROPOSED TO HELP LDC'S IN DEPTH TO ENSURE ECONOMIC RATIONALITY BEFORE DC'S COMMIT SELVES TO DEFINITE COURSES OF ACTION. ON COMMODITIES MIYAZAWA URGED DELIBERATE, CALM, AND SOBER APPROACH TO ENSURING ADEQUATE INVESTMENT IN COMMODITY PRODUCTION AND ELIMINATING UNDESIRABLE EFFECTS OF

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R 282239Z MAY 75

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EXCESSIVE FLUCTUATIONS WITHOUT DOING AWAY WITH MARKET MECHANISM. HE SAID THAT IN DOING THIS CONSIDERATION SHOULD BE GIVEN TO SPECIAL MEASURES TO HELP COUNTRIES NOT RICH IN NATURAL RESOURCES.

4. GERMANY: FOREIGN MINISTER GENSCHER'S PRESENTATION CONCENTRATED ON INVESTMENT QUESTION, CITING NEED TO ESTABLISH BALANCE BETWEEN RIGHT TO NATIONALIZE AND DUTY TO COMPENSATE, AND ON COMMODITIES, WHERE HE SAID FRG FOUND SCHEMES TO STABILIZE LDC EXPORT EARNINGS MORE WORTHY OF CONSIDERATION THAN COMMODITY AGREEMENTS. HE MADE STRONG STATEMENT AGAINST CARTELS AND URGED OECD MEMBERS TO ADOPT COMMON POSITIONS ON LDC DEMANDS AND PROPOSALS.

5. UK: CALLAGHAN MADE ONLY BRIEF REMARKS IN CAPACITY AS UK REP, NOTING UK VIEW GAINED FROM EXPERIENCE AT KINGSTON THAT LDC'S WOULD WELCOME OECD DECLARATION. HE SAID UK FAVORED CASE-BY-CASE APPROACH TO COMMODITIES, CLOSE LOOK AT EXPORT INCOME STABILIZATION SCHEMES, AND STILL SAW MERIT IN IDEA FOR A "GENERAL COMMODITY -

AGREEMENT".

6. OTHERS: IN COMMODITIES AREA SWEDISH DEL (FELDT) FAVORED CONCENTRATING ON MEASURES TO STABILIZE PRICES OF LIMITED NUMBER OF RAW MATERIALS. HE TOOK CAUTIOUS APPROACH ON NORTH-SOUTH POLICY REVIEW, EXPRESSING SKEPTICISM THAT MANY OTHER AREAS BESIDES COMMODITIES WOULD BE SUITABLE FOR OECD EFFORT, AND SAID LOWEST COMMON DENOMINATOR APPROACH TO LDC POLICY WOULD NOT BE SUFFICIENT. NETHERLANDS EXPRESSED CONCERN THAT ROLE OF OECD COUNCIL BEING DILUTED BY ESTABLISHMENT OF NEW GROUPS. ICELANDIC REP MADE PLEA FOR BETTER TREATMENT OF HIS COUNTRY'S FISH EXPORTS BY OTHER MEMBERS.

7. DECLARATION: IN AFTERNOON SESSION MINISTERS ENGAGED LIMITED OFFICIAL USE

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IN SPIRITED DISCUSSION OF DRAFT DECLARATION WHICH STILL CONTAINED SEVERAL POINTS OF DISAGREEMENT. LIVELY AND HUMOROUS EXCHANGE BETWEEN THE SECRETARY, SAUVAGNARGUES, AND CHAIRMAN CALLAGHAN RESULTED IN ACCEPTANCE OF DUTCH AMENDMENT LISTING KEY ISSUES FOR DISCUSSION AT END OF PARA 5 (FOOD PRODUCTION, ENERGY, COMMODITIES AND ASSISTANCE TO MSAS) AND IN AGREEMENT ON FORMULA FOR STATEMENT ON FORA IN LAST PARA.

8. COUNCIL DECISIONS: IN MEETING HELD DURING RECESS OF MINISTERIAL TO ADOPT RESOLUTIONS ON HIGH LEVEL COMMODITIES GROUP AND NORTH-SOUTH POLICY REVIEW, PERMREPS MADE SMALL CHANGES IN TEXT OF LATTER. UK ACCEPTED WATERED DOWN REFERENCE IN PREAMBLE TO LDC SHOPPING LIST, AND FRENCH OBTAINED AGREEMENT TO FORMULA WHICH HAS HIGH LEVEL GROUP "ASSISTING" XCSS IN REVIEW TASK RATHER THAN UNDERTAKING IT ITSELF. THIS WAS AGREED TO BY UK ONLY ON UNDERSTANDING THAT GROUP WOULD BE CHAIRED BY A NATIONAL AND NOT BY SECRETARIAT. "OPEN TO ALL MEMBER COUNTRIES CLAUSE" WAS ALSO INSERTED AT AUSTRIAN AND SPANISH REQUEST.  
TURNER

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## Message Attributes

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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAY 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Date:** 28 MAY 2004  
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